

Message Text

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46

ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 TRSE-00 OMB-01

AID-05 XMB-04 FRB-01 /035 W
----- 042356

R 300940Z AUG 76

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 7426

INFO AMCONSUL KARACHI

UNCLAS ISLAMABAD 9089

DEPT PASS OPIC FOR BOSTWICK FROM AMSTUTZ

E.O. 11652: N/A

TAGS: EFIN, PK,

SUBJ: OPIC: PROPOSED CORNING GLASS LOAN

1. AT RECEPTION AUGUST 27, FINANCE JOINT SECRETARY SIRAJ YUSUF KHAN APPROACHED E/C COUNS AND SAID HE WAS STILL DEEPLY TROUBLED BY THE TEN PERCENT INTEREST RATE BEING INSISTED UPON BY OPIC. THIS CONCERN WAS NOW DEEPENED BY PIA'S HAVING JUST OBTAINED FROM EXIMBANK A NINE PERCENT LOAN FOR TEN YEARS FOR A FOURTH DC-10. KHAN SAID IT WAS DIFFICULT FOR HIM TO UNDERSTAND HOW HIS MINISTRY COULD JUSTIFY A ONE PERCENT HIGHER INTEREST RATE FOR CORNING GLASS, A COMPANY PROBABLY NO LESS CREDIT WORTHY THAN PIA. PRESUMABLY, HE SAID, THE USES TO WHICH THE OPIC LOAN WOULD BE PUT WOULD BE THE SAME AS AN EXIMBANK LOAN, I.E., THE PURCHASE OF AMERICAN EQUIPMENT. KHAN REITERATED THAT HIS MINISTRY HAD TO BE CONCERNED ABOUT THE INTEREST CHANGE SINCE THE DOLLAR TO PAY OFF THE LOAN WOULD COME OUT OF GOP'S RESOURCES.

2. E/C COUNS TOLD KHAN THAT BOSTWICK WAS PLANNING TO SEND HIM A LETTER EXPLAINING IN DETAIL THE RATIONALE FOR OPIC'S INTEREST RATE AND WHY IT WAS NOT UNREASONABLE AS COMPARED TO THE US PRIME RATE. EURODOLLAR RATES,
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IFC RATE, ETC. KHAN SAID SUCH A LETTER WOULD BE HELPFUL

AND ASKED THAT IT ALSO ADDRESS EXIMBANK'S LOWER RATE
TO PPIA.

3. KHAN REPEATED SEVERAL TIMES THAT IF OPIC WERE TO SEE
ITS WAY TO LOWER ITS RATE TO CORNING GLASS TO NINE
PERCENT, HE WOULD APPROVE THE LOAN IMMEDIATELY.
BYROADE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 AUG 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ISLAMA09089
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760329-0740
From: ISLAMABAD
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t1976088/aaaaafzz.tel
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Review Comment: n/a
Review Content Flags:
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